

AGREEMENT ON DIPLOMATIC AND CONSULAR PROPERTY
BETWEEN
THE UNITED STATES GOVERNMENT AND
THE IRAQI INTERIM GOVERNMENT

Whereas the United States of America (herein referred to as the US) and the Republic of Iraq (herein referred to as Iraq) (together herein referred to as the Parties), desire to enter into a bilateral agreement on the exchange and use of diplomatic and consular properties in each other's countries;

Whereas the US owns three properties in Iraq (US Properties) and Iraq owns two properties in the US (Iraqi Properties);

Whereas Iraq recognizes and acknowledges that the US is the legal and rightful owner of the US Properties;

Whereas the US recognizes and acknowledges that Iraq is the legal and rightful owner of the Iraqi Properties;

Whereas, in 1971, the former Government of Iraq expropriated one of the US Properties, namely the former US chancery compound, without providing the US any compensation;

Whereas the US is willing to waive all outstanding claims for compensation and damages for any and all of the expropriated US Properties;

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LEGAL ADVISER
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Whereas the US facilitated the immediate occupancy of the Iraqi Properties by the Iraqi diplomatic mission to the US;

Whereas the US desires to acquire a site for a new permanent embassy compound in Baghdad and consulate sites in Mosul and Basra;

Whereas the US desires to use properties to support its diplomatic mission and assist in the reconstruction of Iraq;

Whereas the US is voluntarily providing over \$18.4 billion and other funding to assist in Iraq's reconstruction;

Whereas Iraq wishes to express its appreciation to the US for such reconstruction and other efforts;

Therefore, the Parties hereby agree as follows:

I. The Properties

Iraq and the US agree that Iraq is the legal and rightful owner of the following properties:

1. Ambassador's Residence
3110 Woodland Drive, N.W., Washington, DC 20008
2. Chancery
1801 P Street, N.W. Washington, DC 20036

Iraq and the US agree that the US is the legal and rightful owner of the following US Properties:

1. Former US Chancery Compound, Baghdad (approximately 39,000 square meters)
2. Former US residence, Baghdad (approximately 1,040 square meters)
3. Former US Consulate, Basra (approximately 9,100 square meters)

II. Property Exchange of US and Iraqi Properties

At no cost to Iraq, the US will transfer title to Iraq and waive all claims for compensation and damages for the US Properties in Iraq, specifically:

1. Former US Chancery Compound, Baghdad (approximately 39,000 square meters)
2. Former US residence, Baghdad (approximately 1,040 square meters)
3. Former US Consulate, Basra (approximately 9,100 square meters)

At no cost to the US, Iraq will transfer title to the US to the following properties in Iraq:

1. Embassy Compound site of approximately 420,000 square meters (referenced herein as Exhibit A)
2. Future consulate sites in Basra and Mousel of approximately 40,000 square meters each, to be mutually agreed upon by the Parties.

III. Consulate Properties

Within one year of the official approval of both governments to establish consulates in Mousel and Basra, Iraq will provide to the US title to land suitable for diplomatic and consular functions of approximately 40,000 square meters each and mutually agreed upon by the Parties, in the identified cities.

The US recognizes that Iraq may wish to establish consulates in the US. The US will assist Iraq in that regard to the maximum extent consistent with US laws and regulations.

IV. Reciprocal Property Rights

1. In exchange for reciprocal property rights accorded to the US in Iraq, the US agrees that Iraq shall be afforded the right to acquire and dispose of ownership interests in diplomatic and consular property in the US, subject to all applicable laws and regulations of the US.
2. In exchange for reciprocal property rights accorded Iraq in the US, Iraq agrees that the US shall be afforded the right to acquire and dispose of ownership interests in diplomatic and consular property in Iraq, subject to all applicable laws and regulations of Iraq.

3. Within 90 days of signature of this Agreement, Iraq will provide the US with necessary title documents for the property in Exhibit A in accordance with Iraqi law.
4. Within 90 days of signature of this agreement, the US will provide Iraq with title documents for the US Properties in Iraq in accordance with Iraqi law.

V. Miscellaneous Provisions

1. Titles to the properties will be provided free and clear of any liens or encumbrances. Iraq will hold the US harmless from any claims against the US for the properties contained in this Agreement.
2. Iraq shall permit and will not obstruct construction and renovation of facilities on the properties.
3. Iraq grants the US the right to develop the properties with office, residential, warehouses, motorpool, utilities, communications, and other facilities as well as structures for support services and related uses as part of its diplomatic mission. No further zoning or discretionary approvals will be required.
4. The Parties shall make a good faith effort to resolve amicably any dispute, controversy or difference, which arises out of or in connection with this Agreement, promptly by negotiation.
5. This Agreement shall enter into force upon signature and shall remain in force for an indefinite period of time.
6. Amendments to this Agreement must be in writing and mutually agreed upon by both Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

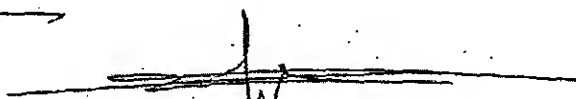
Done at Baghdad, in duplicate, this 31 day of October 2004, in the English

FOR THE GOVERNMENT OF
THE UNITED STATES

FOR THE IRAQI INTERIM
GOVERNMENT



Hon. John D. Negroponte
United States Ambassador to Iraq,
Baghdad, Iraq



Hon. Hoshyar Zebari
Minister of Foreign Affairs of the
Republic of Iraq,
Baghdad, Iraq

and Arabic languages, each text being equally authentic.